

FISCAL NOTE

SB 878 - HB 785

March 31, 1997

SUMMARY OF BILL: Requires health insurance plans and managed care organizations to cover reasonable and customary costs of anesthesia, hospital and physician services for any inpatient/outpatient hospital dental procedure.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$500,000
Other Fiscal Impact - Increase Expenditures/Health Insurance Industry
Exceeds \$500,000¹

Assumes that payment of reasonable and customary costs would create greater expenditures than are currently made under managed care agreements.

Passage of the bill is estimated to result in higher capitation rates paid to managed care organizations in the TennCare program.

This bill would not directly impact the state employee health insurance plan and most local government health plans, since self-insured plans are exempted by federal law (ERISA).

¹ *The impact on the health insurance industry is included as required by Chapter 244 of the Public Acts of 1989.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director